



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 13, 1983

Mr. Delbert D. Thomas
Shale Development Corporation
Vice President - Engineering
313 High Street
Redland, California

RE: Surety Sand Wash Mine
ACT/047/005
Uintah County, Utah

Dear Mr. Thomas:

I received a telephone call on December 7, 1983 from your office requesting a possibility of changing the bond forms. There seems to be a concern with the "non-cancellable" clause for the insurance agency. In checking with legal, this cannot be replaced or covered in a letter for a period of two to three years.

There are other forms of bonding acceptable to the Division. These include an automatically renewable certificate of deposit, an irrevocable letter of credit, cash, U.S. Treasury Notes, or an escrow agreement.

If you have any further questions, please feel free to call me.

Sincerely,


PAMELA GRUGAUGH-LITTIG
RECLAMATION ENGINEER

PGL:re

cc: Cy Young, DOGM
Mary Boucek, DOGM